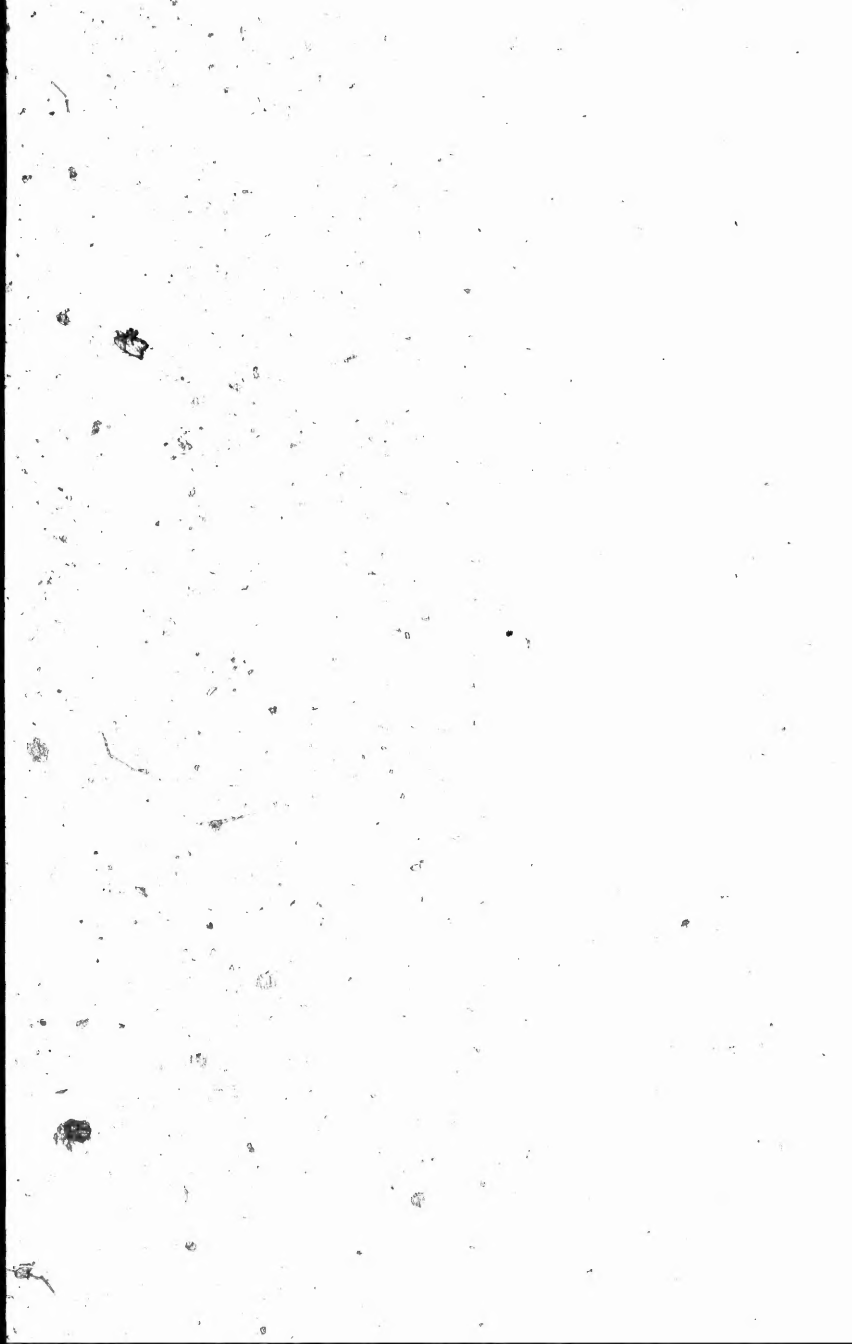




RULES

OF THE

Royal Mutual Building Society

Incorporated and Enregistered according to Act
of Parliament, Cap. 69 of the Consolidated
Statutes of Lower Canada,
25th July, 1887.

MONTREAL:

"WITNESS" PRINTING HOUSE, 321 ST. JAMES STREET.

1887.

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RULES.

RULE 1.—The Society shall be called "THE ROYAL MUTUAL BUILDING SOCIETY," and is incorporated under cap. 69, C. S. L. C.

Title.

RULE 2.—The object of the Society is to afford to its members facilities to become proprietors of houses and other real estate, within a radius of fifteen miles of the General Post Office, Montreal.

Object.

RULE 3.—The capital shall be 6,000 shares of \$200.00 each. This may be increased, as provided by chapter 32 V. 42 and 43, section 2.

Capital.

No member shall hold less than five, or more than twenty shares on any one registered account or number. Upon obtaining an appropriation either by ballot or sale, each share his book represents shall entitle a member to draw two hundred dollars from the funds of the Society, repayable according to Rule 25.

Number of shares to one account.

Sixty-two dollars and fifty cents subscriptions shall be charged for each two hundred dollars advanced, and payable in accordance with rules 21 and 25.

Subscriptions chargeable.

ILLUSTRATION :

In the case of a member, at the close of the second year's operations, obtaining an appropriation on a ten share book, his account would read :—

Due the Society for Loan.....	\$2,000 00
Due the Society for Subscriptions.....	\$625 00
Less two years paid.....	52 00
	573 00
	<u>\$2,573 00</u>

Illustration.

This would be written off as follows :

As per Rule 21 and 25	40 Quarterly Returns of appropriation.....	\$2,000 00
	SUBSCRIPTION ACCOUNT.	
	40 Quarterly Payments of \$6.50, 130 Payments of \$2 00, or 520 payments of 50c....	\$260 00
	6 Quarterly Payments of \$50.00, the first payable 3 months from the date the 40th return of appropriation falls due.....	300 00
	1 Payment of \$13.00, 3 months after the last of the above 6 payments falls due.....	13 00
		\$ 573 00
		<u>\$2,573 00</u>

Thereby enabling a member to obtain his discharge eleven years and nine months from date of loan.

Entrance fee.	RULE 4. —The entrance fee shall be one dollar for each account or number, and admission to membership shall be by a majority vote of the Directors, and no member shall have the right to transfer his shares without the approval of the majority of the Directors.
Conditions of admission after 30th August, 1887.	Subsequent to August 30th, 1887, admission to membership shall be in accordance with either of the following conditions:—
Subscriptions to be paid in full.	1st. The amount of subscriptions due from the 13th April, 1886, to the date of admission to be paid in full.
Subscriptions and fines from 13th April, 1886 to 30th August, 1887 may be registered.	2nd. The amount of subscriptions due from the 13th April, 1886, to any date up to the 30th August, 1887, inclusive, including fines at the rate of one cent per share per week, may be registered until an appropriation is obtained from which the said arrears, together with the fines thereon, shall be deducted.
Dues.	RULE 5. —The subscriptions are five cents per share per week, payable for the term of 1,250 weeks, dating from the 13th April, 1886.
Weekly meetings.	RULE 6. —The subscriptions are payable only on Tuesday in every week, between half-past seven and half-past nine o'clock in the evening, at the Society's place of meeting; but in case of any holiday falling on Tuesday, the subscriptions shall be payable the next legal day. If the subscriptions are not paid when due (every Tuesday) a fine of one cent per share per week, after one week's grace, shall be added to the subscriptions, and the payment of arrears cannot be received without the fines, unless the member pay as many weeks subscription in advance as he may be in arrears.
Fines on arrears.	
Disposal of funds.	The funds of the Society shall be used: 1st, to pay the working expenses. 2nd, to grant appropriations to members as provided by the Rules.
Annual meeting.	RULE 7. —The financial year will close on the 31st March, and the Annual General Meeting of the Society shall be held on the fourth Wednesday in May, for the reception of the Report of the Board of Directors for the previous year, the election or re-election of Directors and three Auditors for the ensuing year, and the transaction of such other business as may be then submitted.
Auditors.	
Management.	RULE 8. —The general affairs of the Society shall be conducted by a Board of Directors, who shall meet at least once a month, on the second Wednesday or any other day, and at such hour as may be determined upon.
Directors.	RULE 9. —The Board of Directors shall be composed of eleven members, five and six of whom shall retire alternately from office each year and be eligible for re-election. The President and Vice-President to be chosen by the Directors from among themselves. The Directors so elected shall, at any of their regular meetings, appoint three Trustees who shall be <i>ex officio</i> members of the Board in addition to the eleven Directors. Five members of the Board, including the President, shall form a quorum.
President.	
Vice-President.	
Trustees.	
Quorum.	

There shall also be appointed by the Board a Secretary-Treasurer, a Notary, an Advocate and a Valuator, whose respective appointments shall be for one year, or during good behaviour, and with such remuneration as the said Board shall deem adequate for the services rendered by such persons. An additional Valuator shall be selected to act with the official Valuator in each examination made.

Secretary-Treasurer.
Notary
Advocate.
Valuators.

RULE 10.—Any member of the Board being more than thirteen weeks of subscriptions in arrears, shall thereby be disqualified to act as such; and any Director failing to attend the meetings of the Board for three successive months, unless prevented by illness or other unavoidable cause, shall cease to be a Director.

Directors
disqualified.

Any vacancy of the Board, from any cause whatever, or any office becoming vacant between the annual meetings, shall be forthwith filled by the Board at an ordinary monthly meeting.

Filling
vacancies.

RULE 11.—The Secretary-Treasurer shall, before entering upon his duties, give security to the satisfaction of the Board. His duties shall be to receive and disburse all moneys belonging to the Society and keep a correct account thereof. He shall take into his care, and be responsible for, all the books of the Society. He shall attend all subscription and all business meetings of the Society and shall take minutes of all such meetings. He shall see that all properties, which are mortgaged or owned by the Society, are insured in compliance with Rule 19. He shall immediately after the granting of an appropriation call the attention of the member getting such, to the various rules affecting the same, so that no unnecessary time may be lost before the money is invested. He shall give to every such member the form which is provided by the Society, and shall impress upon the member not to delay in filling it up, as such form is necessary for a correct valuation. He shall see that all cheques before being cashed are signed in compliance with Rule 13. He shall present a monthly cash statement at each board meeting and all accounts against the Society. He shall also report all members who are in arrears of subscriptions more than three months, and all who are in arrears of returns of appropriations more than six months. He shall carry on all correspondence on behalf of the Society, and keep a copy thereof, and shall report at each Board meeting any event of importance in connection with the Society that may have transpired since the former meeting. He shall also submit the reports of the Notary and Valutors.

Duties of
Secretary-Treasurer.

Any member being desirous of examining the books or papers of the Society may do so by giving the Secretary notice of his intention in writing; but any inspection must be in the presence of either the President, Vice-President, or one of the Trustees, and must take place at the Society's place of meeting, at such a time as may be convenient to the officers of the Society, within fifteen days after the member has made his application for an inspection. Should more than one application be made, the members shall make their examination in rotation. No abstract or copies from the Society's books shall be taken without the consent of the presiding officer. In the event of all the Officers named above having refused to serve at this inspection they shall forfeit their office.

Examination
of books.

Directors'
attendance
at meetings.

RULE 12.—The Secretary-Treasurer and two Directors in rotation shall attend every Tuesday, except it be a holiday, when they shall attend the next legal day, between half-past seven and half-past nine in the evening (or on such other day or hour as may be appointed by the Board) at the Society's place of meeting, to receive subscriptions, returns of appropriations, or any other payments that members may have to make; and in case of non-attendance of any Director in his turn, he shall be fined one dollar each time, unless he sends an efficient substitute, being a member, to take his place on such occasions, or unless he be prevented by illness, or other unavoidable cause.

Bank.

RULE 13.—The Secretary-Treasurer shall deposit in any Chartered Bank in Montreal that may be selected by the Board, to the credit of the Society, all moneys which he shall receive on behalf of the Society, within twenty-four hours after their receipt, and the Trustees shall inspect the bank book once a week.

Cheques.

Cheques to draw any money from the bank must be signed by the President and two of the Trustees and countersigned by the Secretary-Treasurer.

Suits

RULE 14.—In case it shall be necessary or expedient to bring or defend any action, suit or prosecution, criminal as well as civil, in law or in equity, touching or concerning the property or assets, rights or claims of this Society, or touching or concerning the breach or non-performance of any of the articles, matters and things herein contained, the same shall be brought or defended by or in the corporate name of this Society, but no such proceedings shall be taken or defended without the approbation of three-fourths of the members of the Board.

RULE 15.—The Trustees and all officers of this Society shall be chargeable only for such moneys as they shall respectively actually have received on account of this Society, notwithstanding their joining in or signing any receipt or receipts for the sake of conformity, and shall not be answerable the one for the other or others of them. Nor shall any Officer be answerable for any loss which may happen to the Society, unless the same shall happen by, or through, his own act or default.

Duties of
Trustees.

In case the Trustees appointed as hereinbefore mentioned, or any, or either of them, or any future Trustee or Trustees to be appointed as hereinafter mentioned, or the survivors of them during the continuance of the Society, shall die, become desirous of resigning, or be discharged from, or become incapable of acting in the trusts in him or them reposed by these Rules, or be guilty of any gross neglect or improper conduct, of which the members of the Board of Directors, assembled at a monthly or special meeting, shall be the judges, or shall remove to a distance of more than five miles from the place of meeting, (unless he or they shall have a place of business, or be frequently within the said distance of five miles from the place of meeting) or become insolvent or bankrupt, the Secretary of the Society for the time being, on receiving notice in writing from any member of the Society, or having himself knowledge of such death,

desire; incapacity, neglect, improper conduct, removal, bankruptcy or insolvency, shall report the same to the Board of Directors at their first (regular or special meeting, and when any complaint is made against any of the Trustees, such person complained against shall have notice from the Secretary a reasonable time before such meeting of the Board of Directors, and the members assembled at such meeting shall hear and determine the subject matter of such notice, and may therefore remove any Trustee or Trustees, and in such case shall proceed at once to elect and appoint a new Trustee or Trustees, in lieu of the Trustee or Trustees so dead or removed; and when and as often as any new Trustee or Trustees shall be so appointed, the Trustee or Trustees so removed shall cease to be a Trustee or Trustees, and shall be incapable of acting as such after the appointment of a fresh Trustee or Trustees has been duly enrolled; but the continuing Trustee or Trustees for the time being, and such newly appointed Trustee or Trustees shall have the same powers, and be vested with the same trusts, as shall by virtue of these Rules devolve on, or become vested in, the said Trustees, to be appointed as specified in Rule 9, and on request the estate and interest, money securities, and funds belonging to the Society, shall be so assigned and transferred when necessary, as to vest in such continuing and newly appointed Trustees, at the expense of the Society. Provided always that, in case of any Trustee being removed and a new one appointed in his stead, such removal shall not operate to his prejudice as a Member of the Society, so long as he shall think proper to continue therein, and to conform to the Rules and Regulations thereof: and upon such Trustee or Trustees' death or removal, all and every deeds, papers and other property belonging to the Society, in custody or possession of such deceased or removed Trustee, shall be demanded by the Secretary-Treasurer for the time being, for and on behalf of the continuing and newly appointed Trustees; and if the same be withheld, or in case of refusal to transfer his estate and interest in any property given as security, or mortgaged to the Society by the representative of such deceased Trustee, or by such removed Trustee, the party or parties so withholding or refusing shall cease to be a member of the Society, and forfeit all the money he or they may have paid to the Society, and all interest or share of the assets thereof, and shall be compelled by all legal and equitable means to give up and transfer the same.

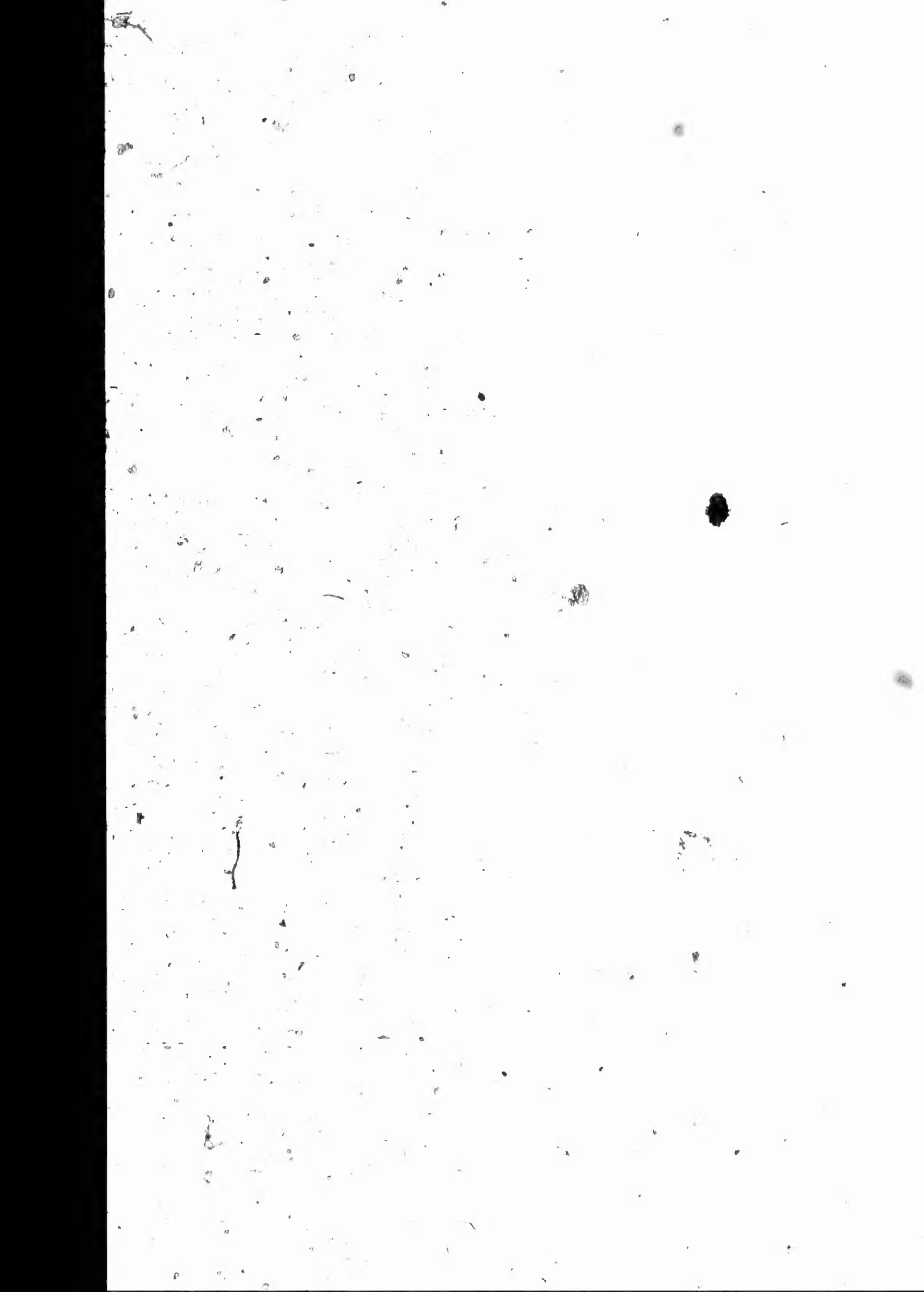
RULE 16.—All writings or securities to and from the Society shall be made out in the name of said Society, signed by the President (or in his absence by the Vice-President) the Trustees and Secretary-Treasurer, copies of which deeds shall remain in the care of said Secretary-Treasurer, or shall be lodged in a box having three different patent locks and keys, one of such keys to be held by each Trustee; and such box shall be deposited with the Bankers in the names of the Trustees of the Society, or with such other person, or persons, or place, as the officers of the Society shall appoint for safe custody.

RULE 17.—In the event of a member dying, his heirs, administrators or assigns, will enjoy each and every advantage such member was entitled to, after they have proved to the Board of Directors

Duties of
Trustees.
Continued.

Deeds.

Deceased
members.



their right; nevertheless only one heir, administrator or assign shall vote. The Board shall have power to pay to the legal representative or representatives all moneys, less working or other expenses and fines, that may have been paid into the Society by such member; all such moneys must be applied for in writing, and shall be paid within such time after the decease of such member as may be provided by law.

Register.

RULE 18.—The Secretary shall keep a register in which he shall require every person admitted as a member of the Society to write in full, or cause to be written, his name, profession or trade, and place of abode. As often as any member shall change his place of abode, he shall within one month thereafter, give notice thereof to the Secretary in writing; and all notices, (except as provided by Rule 30) addressed to members according to the last entry in the Register, shall be deemed duly served by putting the same, prepaid, into the Post Office, four days previous to any Meeting, or otherwise, for which such notice is sent.

Insurance.

RULE 19.—In case any member neglects to insure property pledged to the Society in accordance with the Rules, the Secretary shall, under the directions of the Officers, insure or cause to be insured from loss by fire all such premises belonging to or pledged to the Society, in the name of this Society, and continue such insurance from time to time, for such amount as the Directors may deem necessary and proper, and the amount paid for such insurance shall be advanced out of the Society's funds; but the money so expended shall be refunded to the Society within one month of the time of payment having been made, under a fine not exceeding one per cent. per week for every week exceeding the month, until such insurance money be repaid. Whenever any property belonging to this Society shall sustain any damage by fire the Trustees and Secretary-Treasurer for the time being shall receive the amount of the damage so sustained, from the Insurance Office in which such property shall have been insured, and give a receipt for the same, which receipt shall be a sufficient discharge to the person or persons liable by virtue of any policy or policies of insurance to pay such money. The money so received shall, if the Directors deem it expedient, be expended in repairing the damage sustained; but if the member requires it, the whole of the insurance money shall be paid to him, on his giving satisfactory security on real estate, for so much of the original amount of the appropriation as remains unpaid.

Voting

RULE 20.—Whatever number of shares a member may have, he shall have but one vote on each registered number. No voting by proxy shall be allowed, except in case of women and children who may be represented by husband, father or guardian.

Appropriated
books
excluded
from future
appropriations

RULE 21.—A member obtaining an appropriation for any shares shall be excluded, as far as such shares are concerned, from all future appropriations, and shall continue to pay his weekly subscriptions regularly, subject to Rule 6, during the whole time

that he is paying the return of the appropriation; and after having paid for all the returns of appropriation, he shall continue to pay in accordance with Rule 25, in respect of that portion of his subscription which shall remain unpaid, for any share or shares in respect of which an appropriation has been obtained.

Balance of
subscriptions.

RULE 22.—A borrower shall have no further voice, interest or benefit in the Society from the date upon which his last payment falls due, as shown by the illustration in Rule 3.

Borrowers.

RULE 23.—When the finances of the Society are, in the opinion of the Board of Directors, sufficient to justify them in the declaration of an appropriation, they shall declare one or more, if they deem it expedient to do so, and notice of the time fixed for such appropriation to be drawn, or sold, as the case may be, shall be posted in the Society's place of meeting, at least one week previous to such ballot or sale.

When
appropriations
may be
declared.

RULE 24.—Appropriations are granted by ballot, and by sale to the highest bidder, alternately.

Ballot and sale
alternately.

The mode and conditions of awarding appropriations by ballot or sale will be regulated by the Board.

Conditions.

The premium paid by members purchasing appropriations goes to the General Fund of the Society.

Premium.

The Directors may declare more than one appropriation to take place on the same day or evening.

Should it be advisable or necessary to declare appropriations, and should there be no Board meeting for want of a quorum, or for other reasons, the President, or in his absence the Vice-President and Secretary-Treasurer, may declare such appropriations and give notice thereof, provided there are sufficient moneys ready for that purpose.

Vice-President
and Secretary-
Treasurer
may declare
appropriations.

RULE 25.—A member having obtained an appropriation, shall, before he can receive the amount thereof, give security to the satisfaction of the Board of Directors, by a first mortgage on real estate. The amount of such appropriation will be refunded to the Society at the rate of ten per cent per annum by monthly or quarterly payments as may be most convenient to the member. When the whole advance shall have been repaid, he shall continue at the rate of ten per cent per annum on the amount advanced until such time as he shall have paid the whole amount of subscriptions due the Society as stated in Rules 3 and 5.

Security.

The payment of returns of appropriations in all cases will date from the first Tuesday after the money, or any portion thereof, is advanced to the member.

Date of first
return.

The following shall be the routine of a member obtaining an advance. He shall obtain a form from the Secretary which he shall fill up with the full particulars of the property. It shall then be given to the Valuers who shall inspect and give their report thereon to the Secretary within seven days from the receipt thereof; if the report of the Valuers be unfavorable, the Secretary shall call a

Routine.

Routine
Continued

meeting of the Board and such meeting shall call upon the borrowing member to submit other and more suitable property. Should the Valuers deem the property of sufficient security, the Notary shall examine the deeds of the property and report thereon to the Board, and, if approved, the Board of Directors shall call upon the Trustees to sign for the amount which the Valuers may consider the said property to be worth. If the property be worth less than the amount of the borrowing member's appropriation, the surplus shall be paid to the member on his giving satisfactory proof to the Board that its value has been expended in improving the purchased property, or giving sufficient security for the amount of such surplus. It shall be the duty of the Trustees of the Society to see that all covenants appertaining to property be strictly performed and correctly executed.

Legal expenses.

All law, valuating and other charges, shall be paid out of the appropriation, unless the member shall deposit with the proper officers of the Society a sufficient sum for that purpose. If the member obtaining the appropriation by sale is not prepared to complete his purchase, at the time the money is ready at the Banker's, he shall have further time granted at the discretion of the Board, not exceeding three months from date of appropriation by sale; but failing to use such appropriation within this period, said appropriation shall be forfeited to the Society, and another meeting for appropriation shall be held, from which the member in default shall be excluded.

Disqualified
if over two
weeks in arrears.

RULE 26.—Members who are over two weeks' subscriptions in arrears shall not be entitled to participate in any appropriation by ballot.

Appropriations
by ballot.

RULE 27.—Any member obtaining an appropriation by ballot who shall, within ten days from the date of such appropriation, give notice in writing to the Secretary that he is willing to give up said appropriation to the Society, on condition that he may demand the appropriation of the same amount, that shall, after such demand, accumulate, provided there be no notice of appropriation posted at the time, or the amount of any previous appropriation to be made up; in either of which cases, the member sending the demand must wait till the other members are served. Members must take up their appropriations one year from the date of ballot, failing which, the Board of Directors shall have power to purchase the books carrying such appropriations, at a price to be agreed upon by the Board, on the amount of subscriptions paid into the funds of the Society.

Limited to one
year.

Time may be
extended.

If satisfactory reasons are given to the Directors the time allowed for taking up an appropriation obtained by ballot may be extended beyond one year.

Fines on overdue
accounts.

RULE 28.—A member failing to pay his return of appropriation for one week after it shall have become due, shall pay a fine of one half per centum per week on the amount due for every week that it shall remain unpaid; should the return of appropriation be unpaid for twelve months, the Board of Directors shall thereafter take such proceedings as may be deemed necessary to recover the amount.

RULE 29.—Members holding less than twenty shares on any one book, may increase the number of shares on said book up to but not exceeding twenty, within ten years from the 13th April, 1886, by paying all arrears, as provided by second clause of Rule 6.

Books may be increased.

Books cannot be increased which have obtained appropriations.

RULE 30.—A General Meeting of this Society may at any time be convened by public notice, written or printed, signed by the President or Secretary, in pursuance of a requisition for that purpose signed by not less than one half of the members, which requisition shall state the object for which the meeting is called and shall be addressed to the President or Directors; whereupon each member shall be notified of such meeting and the purpose thereof, through the post-office or daily press, or both, at least fifteen days previous to such meeting taking place; but three-fourths of the members present at such meeting must concur in such object.

General meeting

RULE 31.—New rules may be made, or old ones amended, or repealed, at the annual general meeting of the Society, provided members are notified that such new rules are to be enacted, or old ones amended, or repealed, at least fifteen days previous to such meeting taking place, but three-fourths of the members present must concur.

Amending or repealing rules.

RULE 32.—When the last appropriation shall be paid to the member obtaining the same, the Society shall call in all arrears of subscriptions and returns of appropriations, and no further returns of appropriations shall be called beyond the time said last appropriation is made up, and the Society shall be wound up; the arrears collected shall be divided among the members *pro rata*.

Final appropriation.

RULE 33.—Any member wishing to withdraw from the Society will be allowed to transfer his stock therein to any person or persons whomsoever, in accordance with last clause of Rule 4, on making a proper and formal assignment thereof, duly attested by two witnesses in the transfer book of the Society, and the said transferee shall be subrogated in all the rights, privileges and obligations of the said transferer. Members who shall fail to pay subscriptions for one year shall, upon due notice being given by the Secretary, forfeit all moneys and interest in the Society. See chapter 69, C. S. L. C., section 15. Should any member, by any unforeseen cause, become unable to pay the regular weekly subscriptions, he may submit his case in writing to the Board, who shall have power to purchase the shares of the said member, or suspend the payment of subscriptions; but in no case shall a suspension be granted for a longer period than one year.

Withdrawals.

Forfeiture.

Directors may purchase books, or suspend subscriptions.

This Rule cannot be applied to any book which has obtained an appropriation.

Any member taking advantage of this rule, in having his subscription suspended, shall not be eligible for ballot during such suspension.

RULE 34.—Whenever there shall be no demand for the funds, and there shall be to the credit of the Society a sum equal to two appropriations of ten shares each, the Directors are empowered to lay out and invest the same in the name of the Society in such lawful manner as the said Board may deem most beneficial and equally secured as a first mortgage. *See Chapter 69, C. S. L. C., Sec. 11.*

Surplus funds.

RULE 35.—In the practical application of these rules, and all amendments that may hereafter be made thereon, the interpretation of the Directors shall be accepted, but a member may appeal from their decision to a General Meeting.

Application.



